

Message Text

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TO AMEMBASSY OTTAWA IMMEDIATE

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FOLLOWING REPEAT STATE 122242 SENT ACTION PARIS LONDON ROME
BONN THE HAGUE LISBON DUBLIN ATHENS BRUSSELS LUXEMBOURG OSLO
STOCKHOLM COPENHAGEN VIENNA BERN MADRID JUN 10TH.

QUOTE

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MO. 11652: N/A

TAGS: ETRN, XG, XR, XB

SUBJECT: CIVAIR - CAB STATEMENT ON FORTHCOMING IATA NORTH
ATLANTIC TRAFFIC CONFERENCE

1. ON JUNE 7 THE CIVIL AERONAUTICS BOARD ISSUED A
STATEMENT ADDRESSED TO THE IATA NORTH ATLANTIC TRAFFIC
CONFERENCE AT FORT LAUDERDALE BEGINNING JUNE 11, 1974.
THE PURPOSE OF THIS CARRIER MEETING WILL BE TO NEGOTIATE
AN AGREEMENT ON 1975 PASSENGER FARES EFFECTIVE NOVEMBER 10,
1974. FOR THE INFORMATION OF POSTS AND HOST GOVERNMENT
AERONAUTICAL AUTHORITIES, THE TEXT OF THE BOARD'S
CONCLUSIONS ARE QUOTED BELOW. COPIES OF THE FULL
STATEMENT ARE BEING POUCHED TO THE ADDRESSEES.

2. "THE BOARD BELIEVES THAT THE HIGHEST PRIORITY
SHOULD BE GIVEN TO CHANGES IN THE FARE STRUCTURE WHICH
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WOULD:

(1) REDUCE SIGNIFICANTLY THE NUMBER OF DIFFERENT FARES AND THE COMPLEXITY OF THE ACCOMPANYING CONDITIONS AND CONSTRUCTION RULES.

(2) REDUCE SIGNIFICANTLY THE SPREAD BETWEEN THE NORMAL ECONOMY FARE AND THE LOWEST DISCOUNT FARES BY EITHER REDUCING THE NORMAL ECONOMY FARE, OR INCREASING THE LOWEST FARES, OR BOTH. DISCOUNTS ON THE ORDER OF 40 OR 50 PERCENT ARE NO LONGER ACCEPTABLE.

(3) ELIMINATE OR SUBSTANTIALLY RAISE THE 22-45 DAY EXCURSION FARE, OR MERGE IT WITH THE 14-21 DAY FARE AT THE LATTER'S LEVEL.

(4) IMPOSE REASONABLE CHARGES FOR STOPOVERS ON ALL ECONOMY-CLASS FARES TO RECOVER THE COSTS THEREOF.

(5) IMPOSE REASONABLE SURCHARGES FOR WEEKEND TRAVEL TO REFLECT THE COSTS OF TRAFFIC PEAKING AND TO LEVEL DEMAND.

(6) ELIMINATE THE ADDITIONAL DISCOUNT FOR INCLUSIVE TOUR TRAVEL WHICH IS NOT JUSTIFIED BY ANY DEMONSTRATED COST SAVINGS.

(7) ELIMINATE ALL DISCOUNTS FOR GROUP TRAVEL WHERE THE CARRIER UNDERTAKES TO FORM THE GROUP, AND LIMIT ANY DISCOUNTS FOR GROUP TRAVEL WHERE THE CARRIER DOES NOT FORM THE GROUP TO AN AMOUNT REFLECTING DEMONSTRATED COST SAVINGS TO THE CARRIER.

(8) IF ANY NEW, LOW PROMOTIONAL FARE IS PROPOSED TO REPLACE SOME OF THE EXISTING FARES, ESTABLISH THIS NEW FARE AT A LEVEL SIGNIFICANTLY HIGHER THAN THE EXISTING 22-45 DAY EXCURSION FARE; IMPOSE SUBSTANTIAL RESTRICTIONS ON ITS AVAILABILITY AND USAGE, SUCH AS ADVANCE PURCHASE REQUIREMENTS AND PENALTIES FOR CHANGE OR CANCELLATION OF RESERVATION; PRECLUDE STOPOVERS; AND LIMIT THE NUMBER OF SEATS AVAILABLE FOR SALE AT THIS FARE ON EACH FLIGHT.
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(9) IN GENERAL, RESTRICT THE AVAILABILITY OF ALL DISCOUNT FARES AND NARROW THE DISCOUNTS OFFERED SUFFICIENTLY TO INCREASE SUBSTANTIALLY THE TRAFFIC MOVING ON NORMAL ECONOMY FARES, PARTICULARLY IN THE PEAK SEASON.

THE BOARD IS CONVINCED THAT A STRUCTURE MODIFIED ALONG
THESE LINES HOLDS THE GREATEST PROMISE FOR
RESTORATION OF A HEALTHY ECONOMIC ENVIRONMENT IN NORTH
ATLANTIC SCHEDULED SERVICES." SISCO UNQUOTE SOSCO

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*** Current Classification *** LIMITED OFFICIAL USE

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